

Message Text

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PAGE 01 BOGOTA 00037 032121Z
ACTION ARA-10

INFO OCT-01 ISO-00 EB-07 AID-05 TRSE-00 XMB-02 OMB-01
FEA-01 CIEP-01 IGA-02 CIAE-00 INR-07 NSAE-00 INRE-00
SSO-00 ARAE-00 /037 W
-----032132Z 059707 /63

O 032058Z JAN 77
FM AMEMBASSY BOGOTA
TO SECSTATE WASHDC IMMEDIATE 9096

C O N F I D E N T I A L BOGOTA 00037

E.O. 11652: GDS
TAGS: EFIN, IDB, EAID, ENRG, CO, JM
SUBJECT: IDB FINANCING OF OIL REFINERIES

REF: STATE 313925

1. EMBASSY DOES NOT BELIEVE THAT COLOMBIAN GASOLINE PRICING POLICY SHOULD BE GIVEN TOO MUCH NEGATIVE WEIGHT IN ASSESING SUITABILITY OF CARTAGENA REFINERY. THE FREEZE ON GASOLINE PRICES INSTITUTED BY THE PREVIOUS ADMINISTRATION IS BEING GRADUALLY ELIMINATED.

2. ECOPETROL GIVES THE PROJECT A HIGH PRIORITY BECAUSE IT WILL ALLOW A DECREASE IN GASOLINE IMPORTS BY OPTIMIZING THE REFINERY PRODUCT MIX. GIVEN THE PRICING POLICY IN THE COUNTRY, WHICH WHILE BEING ADJUSTED, IS BEING ADJUSTED TO AVERAGE COSTS RATHER THAN TO MARGINAL COSTS, THE INCREASED PRODUCTION OF LIGHTER PRODUCTS WILL STRENGTHEN ECOPETROL'S FINANCIAL POSITION.

3. ON THE OTHER HAND THIS REFINERY DOES NOT PLAY AN IMPORTANT ROLE IN THE COLOMBIAN DEVELOPMENT PLAN WHICH EMPHASIZES LABOR INTENSIVE OUTPUT. MORE OVER, WE ASSUME THAT IF THE PROJECT MAKES FINANCIAL SENSE
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PAGE 02 BOGOTA 00037 032121Z

ADEQUATE EX IM OR OTHER SUPPLIER CREDITS COULD BE FOUND TO FINANCE IT. WHILE ECOPETROL IS FINANCIALLY WEAK AT PRESENT, COLOMBIA'S ABILITY TO CONTRACT EXTERNAL CREDIT FOR THIS TYPE OF PROJECT HAS PROBABLY NEVER BEEN STRONGER.
SANCHEZ

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM REFINING, REFINERIES, DEVELOPMENT LOANS
Control Number: n/a
Copy: SINGLE
Sent Date: 03-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977BOGOTA00037
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770002-0358
Format: TEL
From: BOGOTA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770186/aaaacxel.tel
Line Count: 61
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 21e6e4dd-c288-dd11-92da-001cc4696bcc
Office: ACTION ARA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
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Retention: 0
Review Action: RELEASED, APPROVED
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Review Date: 11-Jan-2005 12:00:00 am
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Review Release Date: n/a
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Review Withdrawn Fields: n/a
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Secure: OPEN
Status: NATIVE
Subject: IDB FINANCING OF OIL REFINERIES
TAGS: EFIN, EAID, ENRG, CO, IDB
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/21e6e4dd-c288-dd11-92da-001cc4696bcc
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